

FRACTIONAL CURRENCY COLLECTOR'S BOARD

July 1994 Newsletter

I had a wonderful trip through the Canadian Rockies, The Inland Passage and Alaska, and will be happy to bore you to tears with my memories. All you have to do is call me and ask how I enjoyed the trip...

Well, the 1994 FCCB Annual Meeting is over and we are back to normal living. Attached you will find Secretary Howard Cohen's "Minutes of the 1994 Annual Meeting". They explain what happened in exquisite detail and I am much obliged to Howard for that minutiae which allows those of us who missed the meeting to understand all that happened.

Unfortunately, We lost some members who neglected to pay their dues after personal letters and second requests. Strangely enough they include some Dealers who apparently no longer desire to support the hobby through our club. The lost members were Terry Cox, Harry Cynkus, David Brand, Dr. Paul Fulton, Kevin Foley, Geo. Donas, Chickasaw Collectibles, Karl Lucas, L.D. Mitchell, Bruce Nellans, Doug Nutt, John Russo, Edward Sawicki, John Szetela and Donald Webber. Our membership now stands at 139 paid-up members.

Member Wayne Homren wrote an excellent lead article for the May 1994 "Numismatist" on Artist J.S. F. Boggs. It is recommended that you read the article for its excellent discussions of "counterfeiting and its gray areas".

(over)

The attachments to this cover are:-

- 1) Alphabetical Membership List.
- 2) Minutes of the Annual Meeting.
- 3) Parts 1 & 2 of an article in Coin World on Paper Conservation and Framing.
- 4) Article from Linn's Stamp News on U.S. Postage Currency.
- 5) Bank Note Reporter article by Member Mario Byrge.
- 6) Bank Note Reporter Article by Brent Hughes on "Fractional Currency: legacy of the Civil War.
- 7) Linn's Weekly Stamp News of April 3, 1967 had an excellent article on papermakers. Unfortunately, I have lost the last column of the article, but the balance is attached.



Milt Friedberg

P.S. Effective 19 August 1994, I will be moving. My new address is:-

8803 Brecksville Road

Unit 7 - #203

Brecksville, OH 44141

and the new telephone number is 216-546-1327.

Minutes
Fractional Currency Collectors Board
Annual Meeting - 1994

The 1994 Annual Meeting of the Fractional Currency Collectors Board (FCCB) was called to order at 2:00 P.M., June 18, 1994, President Doug Hales presiding. The location of the meeting was the Holiday Inn Crowne Plaza Hotel, Memphis, Tennessee. The FCCB 1994 Annual Meeting was scheduled during the 1994 International Paper Money Show. Attendance totaled twenty-one (21) members and guests at the start of the meeting.

Dr. Wally Lee, Treasurer, presented the Treasurer's report. Dr. Lee stated that the treasury of the FCCB contained \$2,362.35, as of 6/7/94. Referring to a letter he received from Vice-President and Newsletter Editor Milt Friedberg, Dr. Lee said that several members had not yet paid their dues. He asked what should be done about these members - that is, if and when they should be terminated from membership. It was noted that annual membership fees were due early in the year, but the FCCB had a formal deadline of June 1 and had, operationally, extended this deadline to July 1. Through informal "consensus", it was determined that this would continue.

President Hales mentioned that current Membership Secretary, Benny Bolin, would be assuming the responsibilities of Newsletter Editor, mailings, membership lists, etc., from Milt Friedberg before next year's meeting. Mr. Bolin indicated that the transition would be taking place within the next six months.

President Hales indicated that, in recent years, the net annual gain in members was ten to twenty. He mentioned that the FCCB had but a handful of the updated "Encyclopedias" available for distribution to new members. In the April 1994 newsletter, it was proposed that the text be updated and one hundred photocopies be made for distribution to new members.

Motion: Update the text of the "Encyclopedia" and have 100 photocopies made for distribution to new members.

Seconded and passed.

President Hales indicated the cost of providing all materials to new members now was over \$10.00. New members have paid a 1st year membership fee of \$5. President proposed that:

New membership fee be increased to \$10.

Moved, seconded, and passed.

President Hales initiated a wide ranging discussion concerning the "Simplified Edition of the Encyclopedia of Fractional and Postal Currency". The discussion concerned (1) whether the FCCB should publish the edition, (2) the physical construct of the published edition (binding, cover, reproductive and/or printing techniques) (3) quantities to be produced, and (4) selling price.

All members in attendance were supportive of the FCCB's publication of the "Simplified Edition". This was moved, seconded, and passed.

Attention then focused on how "pictures" of postage/fractional notes would be "printed" for the publication. It was mentioned that all necessary photos exist, so the cost of photographing and developing film into photos was not at issue. After discussing the marginal benefits of several different "options" for printing the photos, it was determined that photocopying was sufficient.

Three binding options were proposed: threaded, loose-leaf, or plastic bindings. Nearly all attendees spoke on this subject. It was the consensus of the meeting that: (1) persons do carry the "Simplified Edition" to shows, and loose-leaf bound copies were not easily portable; and (2) although threaded bindings were very sturdy, advancements in technology made plastic-type bindings cost-effective. The consensus was to use plastic-type bindings.

For the covers (front and back), it was recommended that sturdy plastic or plastic coated covers be used.

In analyzing the quantities to be produced and the selling price of the "Simplified Edition", attendees discussed methods of distribution (e.g., through dealers, through dealers and by direct mail from FCCB), set up costs, and marginal costs. The fixed (one-time) costs were said to "require" a minimum run of 300 copies (that is, to spread the fixed costs at reasonably small levels over copies, a minimum of 300 copies should be produced). After 300 copies, it was said that marginal costs of production take over. Although no consensus was reached, it appeared that the price of the "Simplified Edition" should be equal to the costs associated with producing 300 copies. The amount and nature of subsidization by the FCCB was not discussed, but was mentioned. The final number of copies to be produced plus the price of the "Simplified Edition" was not voted upon. President Hales said that these issues would be resolved through mailings to the membership of the FCCB.

The annual membership fee has been \$10. Costs are in excess of this amount. It was proposed that the fee be increased to \$15. A member mentioned that \$15 may be a psychologically inappropriate amount and suggested a fee between \$10 and \$15. It was felt that a \$12 fee should be the "trial" fee for the next year. If an additional increase was needed, then that could be voted on at our next meeting.

Motion: The annual membership fee be increased to \$12 per member, on a 1 year trial basis.

Seconded and passed.

The issue of seeking status as a non-profit organization was proposed by the chairman. Discussion did not favor this, due to, among other things, the reporting requirements, mandated by government agencies, for non-profit organizations. It was suggested that the FCCB examine printing and bulk mailings through a printer. Mr. Benny Bolin will look into this.

Given the new responsibilities that Mr. Bolin will be handling as Newsletter Editor, etc., Chief William Bradimore will take over the position of Membership Secretary from Mr. Bolin.

A considerable discussion regarding the fractional currency boxes took place. The quality of the products was not questioned, the boxes being of extremely fine quality. Rather, the discussion focused on the difficulty of getting timely action by Perma Etch (the maker). It was decided that (1) there would be no additional box in the forthcoming year, (2) at the 1995 FCCB annual meeting, the issue of the box again will be discussed, and (3) Secretary Howard Cohen will be liaison with Perma Etch.

The presentation of awards to exhibitors of Fractional and Postage Currency was made. The award plaques were, once again, generously donated by Len and Jean Glazer. Winners were: 3rd Place, Bill Bradimore, "Thin Dimes"; 2nd Place, Benny Bolin, "Grant/Sherman 10 cent Fractionals - The Note That Never Was"; and 1st Place, Doug Hales, "Third Issue - Twenty-Five Cent Notes". President Hales implored more members to exhibit in the future.

President Hales then gave "the floor" to Martin Gengerke, for his discussion of postage and fractional currency counterfeits. Mr. Gengerke gave a slide presentation on counterfeits.

Mr. Gengerke said that the FCCB owed a debt of gratitude to the counterfeiters of postage and fractional currency. It was these counterfeiters who forced the government to produce the great number of varieties that we collect today.

The counterfeits most easily detected are those with misspelled words, bad lines, and surcharges that officially did not exist.

In the 1st Issue (Postage Currency), the 10 cent Washington note is the most common counterfeit known today. The 5 cent is non-existent (or, possibly 1 exists) outside of the Secret Service of the United States. The 25 cent is scarce.

The 2nd Issue 50 cent note was probably the note whose counterfeits were most perfected. The only ready way to detect the best 50 cent counterfeit is to examine the lines in the smoke coming from the train's boiler. The 2nd Issue counterfeiters were so ubiquitous and skilled that essays and proofs exist of their work.

The "lathe work" on the back of official 3rd and subsequent Issues of fractional notes were made with the use of engineering turning lathes. The result is that legitimate notes have "lathe work" that come to little loops at the edges. Counterfeited notes have "lathe work" that come to points.

Fourth Issue Lincoln, Stanton, and Dexter notes were widely counterfeited. There are no counterfeits known of the 10 cent Issue and the Secret Service has the only 15 cent Issue counterfeit note(s).

Counterfeiting could be a large operation. Some counterfeiters used printing plates with multiple impressions. Many of these impressions (or "plates") were badly aligned. This led to quite a few counterfeit notes with bad centerings. Sheets or part sheets of counterfeit notes are available today.

Widespread counterfeiting led to the government permitting the publication of notes in books sold to financial institutions, etc. The best known of these "Counterfeit Detectors" are those produced by Heath.

In addition to notes found in various bourses, counterfeit notes can be found on "Indictment Papers". When the government indicted someone for counterfeiting, the evidence (counterfeit note or notes) was sometimes affixed to the indictment papers. Later, the Courts "officially" sold court papers to waste paper dealers. Among the papers sold were those with counterfeit notes affixed to them.

When the Secret Service seized printing plates used in counterfeiting notes, plate impressions were placed in books kept by the U.S. Treasury's cash room. By 1944, the Treasury Department's cash room had several books. These are known as BOOKS 2, 3, and 4. Book 1 contained the names of the counterfeiters and other identifications associated with the impressions in Books 2-4. On March 25, 1994, the cash room of the Treasury Department officially "turned over" Books 2, 3, and 4 to the Secret Service. Book 1 is missing, but is known to exist. The Secret Service separatley maintained and still has a book with individual counterfeit notes.

Mr. Gengerke mentioned that several books have been written on counterfeiting. Some of these books contain "how to" sections on counterfeiting, which was not appreciated by the Secret Service. Reference books on counterfeiting are: Counterfeiting: Crime Agaianst the People, Lawrence Smith; Counterfeiting in America, Lynn Glazer; and Money of Their Own, Murray Bloom.

With this the presentation ended and the meeting was adjourned.

Paper collectibles face risks without proper conservation

While on vacation in the Southwest, I discovered the work of a local artist, Stan Natchez. Some of his work employs uncut sheets of U.S. notes as the base. It is Natchez's numismatic art that has inspired this month's column.



Preserving Collectibles

Susan L. Maltby

Many collectors like to display some of their prize paper notes either on a short-term basis at a numismatic convention or long-term in their home. Exhibiting a paper note does, however, place it at risk. If light levels are too high, some of the inks may fade and the paper can be degraded (photo degradation). Inappropriate framing techniques and materials can also irreparably damage a note. This month I would like to discuss the matting and framing of paper notes.

First of two parts

I consider framing a paper note similar to framing a work of art on paper. The conservation concerns and techniques are similar. The following are my guidelines for framing paper notes.

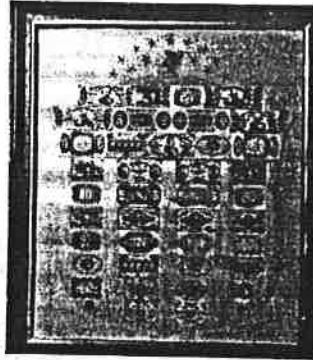
Frames: Framed paper notes, like works of art on paper, should be glazed. The glass protects the paper from dust and pollutants in the air and also provides a buffer to sudden changes in humidity. Some framers offer glass which is specially treated to screen out ultraviolet (UV) light. This is a good idea because UV light is a very active portion of the light spectrum which can cause considerable damage. However, it is not the only portion of the spectrum that can cause damage. Visible light also fades and degrades paper. Therefore, having a work framed with glass that eliminates the UV light is not an excuse to expose it to high levels of either natural or artificial light.

Matting: Framed works should always be mounted so that there is an air space between the glass and the note. *The work should not be in direct contact with the glass.* This is usually accomplished by placing a window mat around the work. The choice of mat board can greatly affect the long-term health and well-being of a note. You should choose an acid-free mat board. The acids in acidic mat boards can degrade the paper considerably. Conservators talk about "acid burn" which results from framing a work of art on paper in an acidic mat. Over time, the acids in the mat board leach into the paper and produce a brown stain where the mat board has been in contact with the paper. Quality acid-free mat board is readily available at only a slightly higher price than acidic board.

What if you have a note which is already matted and you are not sure if the mat board is acidic or not? You can test the board using an Abbey pH Pen™. Regular readers will remember that the Abbey pH Pen™ allows one to determine if a piece of paper is acidic or alkaline. One simply draws a line on the paper with the pen and reads it when it is dry. A yellow line means the paper is acidic and a purple line means it is neutral or alkaline.

Be certain to test both the outer paper on the mat board and the inner core material. Some mat boards are constructed with good quality acid-free paper on the outside and poor quality acidic material on the inside. Once a window is cut into one of these mat boards, the acidic core is exposed to the work of art. Be certain to test in an area which will not be visible once the piece is framed.

A second technique is to look at the cut edge of the mat board. Over time, acidic mat board will discolor and become



EXHIBITING paper notes with inappropriate framing techniques and materials can place the paper collectible at risk.

brown. If the cut edge of the mat board is beginning to brown, then your work of art is in an acidic mat.

Mat board used should also be colorfast. By colorfast, I mean that the color will not "run" when the paper is wet. Non-colorfast mat board can do considerable damage to a work of art on paper if it gets wet. Even if you do not live in a flood zone, you should be concerned about water damage. A burst pipe can create a localized flood which is just as damaging.

One can easily test for colorfastness. Ask your framer for a small scrap of the mat board. Soak the mat board in warm water and, when fully saturated, press it against a white paper towel. If no color transfers to the paper towel, then the mat board is colorfast. If there is a color transfer, then the mat board is not colorfast.

In addition to a front window mat, you should also have a back mat board. The back board should also be made of good quality, acid-free, colorfast mat board. The front and back mats should be taped together using a gummed linen tape. Acidic masking tape should be avoided.

Mounting: There are a variety of mounting techniques that are used for works of art on paper. It should go without saying that any method chosen should be completely reversible and cause no long-term damage to the work. Dry mounting, which entails permanently adhering a piece of paper to a piece of mat board is not reversible without causing considerable damage to the paper. Dry mounting is a technique which is best reserved for low value works such as posters.

Conservators usually mount works of art on paper by hinging them along the top of the paper to the back mat board using small Japanese paper hinges. The hinges are adhered to the work and the mat board using either wheat or rice starch paste. These pastes are strong, stable and completely reversible adhesives. A number of self-adhesive mounting tapes are available, but should be avoided. These tapes are often very difficult to remove at a later date and can cause staining. When mounting a paper note, I prefer not to use hinges or any adhesive at all. Instead, I place the note in a Mylar pocket which is adhered to the backside of the window mat using 3M™ 415 archival quality self-adhesive tape (this is the same tape used to encapsulate paper in Mylar™ (see "Saving Money," Nov. 28, 1990). The note sits safely in the pocket and can be easily removed at any time.

Susan L. Maltby, Toronto, is a private conservation consultant. She has written and spoken about numismatic preservation and cleaning on a number of occasions.

Use care in selecting framer who will satisfy your framing needs

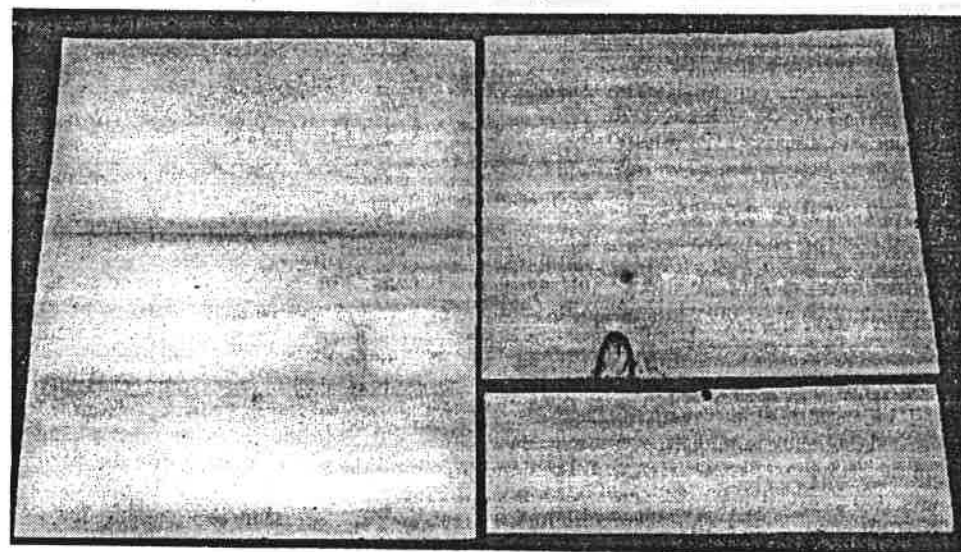
Last month, I began a two-part series discussing the matting and framing of paper notes. You will remember from last month's column that your collection can suffer irreparable damage from using inap-



propriate framing techniques and materials. This month, I conclude this topic by introducing frame assembly and how to choose a framer. I have also included a partial list of suppliers of archival products.

Second of two parts

Assembly: Once matted and mounted, a work of art is installed and secured in the frame. Traditionally, this was done by placing wooden boards or shakes at the back of the frame which were then held in place with small nails known as brads. Unfortunately, these backing boards are very acidic and can cause considerable degradation of the work of art. I'm sure many of you have works of art in your home that have been framed in this manner. When the boards are removed, one often sees the grain and pattern of the wood transferred to the paper in direct contact with the wood (see accompanying photo). Acid-free cardboard or mat board should be used.



WHEN THE backing boards are removed, one often sees the grain and pattern of the wood, right, transferred to the paper, left, which was in direct contact with the wood, because of the backing board's acidity.

An alternative material is Coroplast™, a corrugated polypropylene sheet. Coroplast™ comes in a variety of colors and thicknesses and is inexpensive.

Choosing a framer: It is important that you choose a framer that you trust and feel comfortable with. The framer should understand your framing needs and be able to provide you with acid-free safe materials.

"Backing boards are very acidic and can cause considerable degradation of the work of art."

Finding the right framer may take time. Many framing shops offer "conservation framing." Do not assume that their idea of conservation is the same as yours. Ask them exactly how they mount a piece and what materials they use. If you do not like their approach, shop elsewhere.

Conservators specializing in paper conservation usually mat and mount pieces that they treat. Consider asking a local

conservator to mat and mount your work for you. Once matted and mounted you could either buy an "off the rack" frame or have a local framer custom build a frame for you. Contact your local museum or art gallery for a list of recommended conservators in your area. Your local gallery or museum may also be able to recommend a local framer who uses the proper materials and techniques to mat and mount a work of art on paper.

Supplies: Colorfast, acid-free matboard and cardboard should be available at your local framer. However, Mylar™ and 3M Scotch™ Brand double-sided pressure sensitive tape No. 415 may prove more difficult to find.

The following companies carry good-quality, acid-free mat board, cardboard, Mylar™, 3M™ 415 archival-quality, self-adhesive tape and a variety of other conservation supplies which may prove helpful to the collector.

Please note that this list is by no means exhaustive, and your local museum or art gallery should be able to point you toward a local source for these materials:

"The framer should understand your framing needs and be able to provide you with acid-free safe materials."

- Carr McLean, 461 Horner Ave., Toronto, Ontario, M8W 4X2, Canada, telephone (416) 252-3371 (in Toronto area) and (800) 268-2123 (elsewhere)

- University Products Inc., Box 101, 517 Main St., Holyoke, Mass. 01041, telephone (413) 532-9431 (in Mass.) or (800) 628-1912.

I have found that Coroplast™ is readily available from plastics supply houses and some hardware and garden centers. If you are unsuccessful in finding it, phone their head office at either of the following locations and ask for a supplier in your area:

- 700 Rue Vadnais, Granby, Quebec, J2J 1A7, Canada, telephone (514) 378-3995)

- 3025 Skyway Circle N., Irving, Texas 75062, telephone (214) 256-2251, or toll-free (800) 435-2241.

Susan L. Maltby, Toronto, is a private conservation consultant. She has written and spoken about numismatic preservation and cleaning.

U.S. postage currency

A friend of mine recently showed me this 50¢ "Postage Currency," based on an "Act Approved/July 17, 1862," as noted on the back. He also has similar items in 5¢ and 25¢ denominations.

The back text also reads "EXCHANGEABLE FOR UNITED STATES NOTES/by any Assistant Treasurer or designated U.S. Depository in sums not less than FIVE DOL-



United States 50¢ postage currency of 1862.

LARS. Receivable in payment of all dues to the U. States less than FIVE DOLLARS."

I cannot find any information on these items. Are they stamps? Can you identify them?

W.R. Seegers
902 N. Manor Drive
Horseshoe Bend, AR 72512

Postage currency is listed and described as follows (though, unfortunately, none is illustrated) in the Scott Specialized Catalogue of United States Stamps:

"Small coins disappeared from circulation in 1861-62 as cash was hoarded. To ease business transactions, merchants issued notes of credit, promises to pay, tokens, store cards, etc.

"U.S. Treasurer Francis E. Spinner made a substitute for small currency by affixing postage stamps, singly and in multiples, to Treasury paper. He arranged with the post office to replace worn stamps with new when necessary.

"The next step was to print the stamps on Treasury paper. On July 17, 1862, Congress authorized the issue of such 'Postage Currency.' It remained in use until May 27, 1863. It was not money, but a means of making stamps negotiable...

"This series has on each note a facsimile of the postage stamp then current. In the 25¢ and 50¢ denominations [these actually were five 5¢ and five 10¢ stamps], the 5¢ and 10¢ stamps are engraved overlapping each other, five in a row, respectively."

Postage currency was produced imperforate and with margins perforated in gauge 12. The fronts were engraved and printed by the National Bank Note Co., but the backs of some were engraved by American Bank Note Co., and are so marked.

The 50¢ postage currency shown here, imperforate and with "ABCo." on the back, is listed as Scott 7. It is valued at \$30, states the 1994 catalog, "for notes in crisp, new condition, not creased or worn. Creased or worn copies sell for 25 [percent] to 75 percent less."



Collectors' Forum



Collectors attracted to Fractionals

By Mario Byrge

Why are more and more devoted coin collectors turning to the field of paper money with many now taking an interest in Fractional Currency? I believe it is because of the tales that Fractionals can tell.

United States Fractional Currency has been long collected and studied throughout the last 132 years or so, starting with devoted men in history, such as Francis E. Spinner, who actually originated the system of supporting the economy during the Civil War, with the ingenious development of a monetary system by producing a type of standard currency that would alleviate the economic tensions of a short supply of coinage.

Since then, many Fractional specialists have long recognized the many influential collectors of yesterday whose dedication to this field has given people like me a great opportunity to collect. A special thanks should go to my friends and colleagues who wholeheartedly have undertaken Fractional studies to develop and to educate other collectors.

What I think has become an important factor in this field is purely the understanding and consideration of taking the time to educate the collector, either the beginner or the advanced specialists. I find by talking to other collectors, their focus is not that of investing, but trying to preserve the history that Fractional Currency can tell. Every collector seeks a role model in the forming of his collection.

Collectors with dedicated minds will

try to build purely on strength, reaching out for the ultimate rarities. For 23 years, as a collector and researcher, my role model has been that of the late Dr. Frank Alvin Limpert. From time to time, collectors have asked me why Limpert? In reply, I can only state that Dr. Limpert took his knowledge and that of others and detailed his research in a way that all levels of collectors could relate to it, without getting lost in the readings.

However, I also will add, that I live only seven blocks away from where Dr. Limpert undertook his research. What was then Royal Oak now is Madison Heights, and on several occasions I had the opportunity to talk to Dr. Limpert's son, who now is nearly 60 years of age. The son clearly, remembers his late father's love for Fractional Currency.

We indeed as collectors and researchers must preserve this specialized field so that added information and new discoveries can be shared with all.

If anyone wishes more information on the history and collecting of U.S. Fractional Currency then he should consider joining the Fractional Currency Collectors Board. Write Benny Bolin, FCCB Membership Chairman, RR1, Box 331B, Allen, TX 75002, for details.

Anyone wanting a photostat copy of the *Classified List of U.S. Postage and Fractional Currency*, First Edition, 1947 by Dr. Frank A. Limpert free of charge, drop me a line. My address is P.O. Box 71820, Madison Heights, MI 48071

Fractional Currency: Legacy of Civil War

By Brent Hughes

Editor's note: This is the first installment in a six-part series on Fractional Currency. It will appear every other issue. Alternating with it will be a six-part series on Confederate notes.

One evening in 1967 a man walked into our coin club meeting knowing no one. He introduced himself to our "greeter" and asked if someone could help him identify a strange piece of paper money. I was standing nearby and offered to help.

The visitor took an envelope from his briefcase and brought out a tiny beat-up note printed with a five-cent postage stamp design flanked by large figure "5s". The edges were different from those of most notes — they were perforated like a huge postage stamp.

"I found the envelope in my grandmother's attic. No telling how many years it has been there, but I know it's been a long time."

The envelope contained several picture postcards, a letter postmarked 1887 and a faded snapshot of a house. It was the small note, however, which fascinated our visitor and I sensed that we might recruit him to join our club. New enthusiasts are the lifeblood of our hobby and we always offered encouragement to those with a budding interest.

"There is a lot of history behind this note and you are lucky to have it," I told him. "But the first thing you want to do is get it into an inert plastic holder to prevent further damage."

By sheer coincidence I happened to have Matt Rother's *Guide Book of United States Fractional Currency* (1963) in my briefcase and quickly found a photograph of the mysterious note. It was a 5-cents First Issue Postage Currency note, issued during the Civil War.

"That old?" our visitor asked. I could see that he was fascinated. I then told him about our local coin and currency shop where he could buy holders and guide books. Even better, he might also be able to look at other issues of the same paper money.

A month later the man joined our club and I gained a new friend. Twenty years later he owned one of the finest collections of U.S. Fractional Currency in the area and was venturing into other aspects of paper money. He also developed a system to create color slides of his notes and showed them at several of our meetings.

When he first visited our club, my friend was like most other members of the general public who did not know that the government had once issued paper money in denominations of less than a dollar. During the Civil War, dramatic battles received most of the publicity, but we also know that there were major problems on the home front, especially with the money supply.

In early 1861 when the war began, there were plenty of coins in circulation. Estimates put the totals at \$210 million in gold coins, \$27 million in silver coins

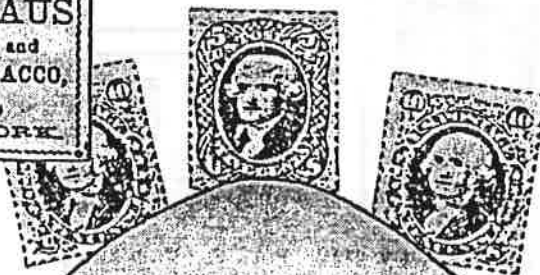


After coins disappeared from circulation during the Civil War, many small merchants were forced to issue small cardboard chits in order to make change.



25 CENTS
In U.S. Stamps,
FROM
CHAS T. CHICKHAUS
Dealer in HAVANA SEGARS and
VIRGINIA SMOKING TOBACCO,
No. 176 Broadway,
NEW YORK.

Here is an artist's conception. The public used loose postage stamps as coin substitutes in the first year of the Civil War. The stamps stuck together and quickly became unsanitary, so merchants had small envelopes printed in which the stamps could be protected.



U.S. Postage Stamps 25 cts.
WARD'S
PERFECT-FITTING
SHIRTS.
387 Broadway



U. S.
POSTAGE STAMPS.
25 Cts.
JAMES H. UNDERMY & CO. 111 N. 3rd St. N. Y. C.



OYSTER BAY HOUSE,
553 Broadway.
25 cents.
UNITED STATES STAMPS

Hughes/from Page 18

and \$1 million in copper. There was also about \$200 million in state bank notes in which the federal government added, in mid-year, \$30 million in Treasury Demand Notes of \$5, \$10 and \$2 denominations. Fighting a war proved to be so expensive that the U.S. government had no choice except to issue its own paper money.

External influences had created problems over which the government had no control. Canada had adopted the decimal system in 1858, but Britain failed to provide enough coins to meet demand. The Canadian government decided to import U.S. coins to solve the crisis. Latin American countries also preferred

U.S. coins and got them by simply offering a 12 percent premium. Eager speculators stepped in and were soon buying up every coin they could find.

Calling themselves "brokers," these men placed ads in newspapers offering attractive premiums for silver coins and several editors reported the activity as news. The public reacted by hoarding silver coins and in a very short time several major cities found themselves without enough change to conduct routine business. The brokers then went to smaller towns, raised their premiums and bought up almost all of the remaining silver coins.

On July 3, 1862, one newspaper

Hughes/from Page 20

reported that copper cents were "about the only specie in circulation" in most cities. In New York retail merchants were complaining loudly and abuses were condemned in irate letters to editors. Large department stores gave change, but deducted a five percent premium in the process. Ferry companies that took in a lot of coins on every trip gave out none in change, preferring to profit from the premiums offered by speculators.

Citizens were particularly outraged in New York City where streetcar conductors demanded exact change or no ride. "In this city," said the *New York Tribune* "thousands and tens of thousands of persons . . . have been compelled to walk to and from their places of business." The influential *New York Times* said that the coin shortage had "puzzled the wits of the whole community and driven it almost to distraction."

The bureaucracy in Washington was very slow to act, which simply added to the frustration. There was not even a serious effort to reduce the metallic content of the coins being minted at the time. In 1862 the U.S. mints turned out over 343,000 silver 3-cent pieces, 1.5 million silver half dimes, a million dimes, almost six million quarters, 600,000 half dollars and 12,000 silver dollars. Most of these coins never went into circulation, being purchased over the counter at the mints. From there the coins were exported to the highest bidder. The year 1863 was no better.

Necessity being the mother of invention, a lot of ingenuity was shown by average citizens. Small businessmen such as grocers, druggists, bakers, butchers and tavern owners had tiny card-



Francis Spinner

board "chits" printed locally and handed them out as change. Some of these items even had serial numbers and were signed on the back by shopkeepers. Some cities considered issues of fractional currency but were concerned that they might be illegal.

The chits quickly became dirty, were easily lost and, in a few cases, were not redeemable by the merchant who had issued them, so the public avoided them. In their place a growing number of citizens began to use ordinary postage stamps that were at least government issue and could always be used to mail letters.

Actually this was nothing new because mail-order firms had long accepted stamps as payment for small purchases and had used them as change when merchandise was shipped. But passing gummed postage stamps from hand to hand was a different thing entirely and the whole system began to break down, creating problems for everybody.

No one knows who first put the fragile postage stamp into a small envelope for protection, but the idea quickly caught on with merchants who placed their advertisements on the envelopes and passed them out as change. If clear plastic had been available in those days, the enveloped stamps would have been successful, but paper envelopes meant that a person could not be sure a stamp was inside and had to inspect the envelope to see. A careless shopper might discover later that some of the envelopes he had accepted had only a scrap of worthless paper inside.

This type of fraud began when dishonest streetcar passengers noticed that busy conductors routinely held the envelopes up to the light and if it appeared that a stamp was inside, would allow the passenger to board. The company had to take measures to prevent such losses, of course, so once again the public was inconvenienced.

Then came a real solution. Why not paste the postage stamps on small cards and use the cards as money? Eventually the cards would become dirty and the post office might not be too happy about the soiled stamps that were being soaked off the cards and used as postage, but at least it appeared to be a temporary answer to a lot of problems.

Historically it is difficult to determine who came up with the card idea. H.K. Crofoot, an authority on Civil War coin substitutes, published an article on the subject in the March 1944 issue of

Numismatic Review. He believed the credit should go to the owners of the William Newton & Company grocery store in Newport, R.I. This store was located near the local post office where stamps were handy. The company printed a small card about 2.5 inches by 4.5 inches in size that had spaces at each end where postage stamps were glued. The 5-cent card had two 1-cent stamps on the left and a 3-cent stamp on the right. Other combinations were used to make cards valued at 10 cents, 25 cents and 50 cents.

The middle part of the card had the store name, address and the date July 4, 1862. Crofoot managed to find specimens of the 5-cent and 10-cent "notes" and he knew that the others had existed in 1862. His collection was eventually acquired by the Smithsonian Institution, which presumably provided the photos that have appeared in various books.

Crofoot considered the Newton "notes" to be the direct precursors of U.S. Postage Currency, even though they probably circulated only in the Newport area where the store was located.

Another story going the rounds is that Mrs. Francis Spinner, wife of the Treasurer of the United States, was grocery shopping in Georgetown one day when she found that she was short of coins. The merchant noticed that she had several postage stamps in her purse and offered to take them in payment. That night Mrs. Spinner mentioned the incident to her husband, who had been under a lot of pressure to devise a coin substitute.

The next morning at his office he obtained some stamps and began to experiment with ways to make them usable as emergency money. Taking Treasury Department letterhead sta-

tionery, Spinner pasted a single 10-cent stamp on one sheet, a row of 5-cent stamps on a second and a row of five 10-cent stamps on a third. He then trimmed his "dime," "quarter" and "half dollar" substitutes to a convenient small size and showed them to his associates.

Secretary of the Treasury Salmon P. Chase had already asked Congress to legalize postage stamps as an emergency medium of exchange and President Lincoln signed the legislation on July 17, 1862. Ignored for the moment was the obvious chaos created by thousands of gummed stamps being passed around in the marketplace.

Incredibly, Chase had failed to discuss his plans with Postmaster General Blair, who had the responsibility of getting the stamps printed. Outraged at being ignored, Blair issued orders that postal clerks were not to sell stamps to anyone who planned to use them for anything other than postage. Just how the clerks were to make this determination is not clear, but the fact was that post offices all over the North began to run out of stamps.

Lincoln, who had a war to run and did not need other problems, settled the argument between Chase and Blair by ordering Commissioner of Internal Revenue Boutwell to arbitrate the matter. A few days later, Blair agreed to print stamps without gum and work with the Treasury Department in selling and redeeming them. Blair had his hands full delivering the mail and obviously wanted Chase to devise a medium of exchange other than postage stamps.

Chase looked at Spinner's experimental "notes" and approved a project to print postage stamp designs on small pieces of bank note paper about the size of business cards. The government was not yet set up to print such items, so it had to arrange for the fractional notes to

be designed and printed by the big bank note companies in New York.

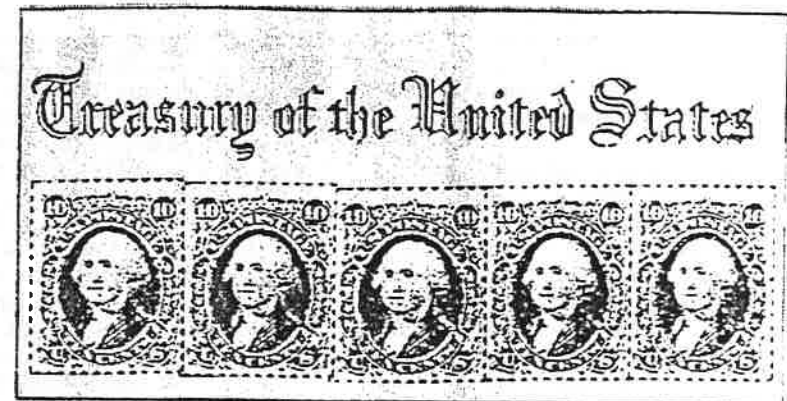
The first designs were titled "Postage Stamp" notes, but a government official, probably Spinner with Chase's approval, changed the wording to "Postage Currency." Contracts were signed with the National Bank Note Company and the American Bank Note Company and production was soon under way.

There has been much confusion over the years about the sequence of printing inside the bank note companies. Noted research specialist Milton Friedberg recently furnished the following data to set the record straight.

The first sheets were printed, both fronts and backs, by the National Bank Note Company and had no perforations. The second group of sheets was printed the same way but they were perforated like postage stamps, apparently in an effort to make the notes easier to separate after they were purchased in sheet form. Then, as a security measure, the Treasury directed that the faces be printed by the National Bank Note Company and the backs by the American Bank Note Company. The latter company added an identifying "ABNCo" monogram in the lower right corner of these backs. These sheets were also delivered with perforations.

The public soon expressed a dislike for the rough perforated edges of the notes, so this feature was permanently discontinued. The fourth and final emissions were printed by the two companies without perforations and could be purchased in uncut sheets or as individual notes trimmed at the Treasury.

Today's collectors find First Issue notes with straight and perforated edges, in pairs or blocks and occasionally in full sheets. Because perforated sheets were so fragile, very few exist today and are highly prized.



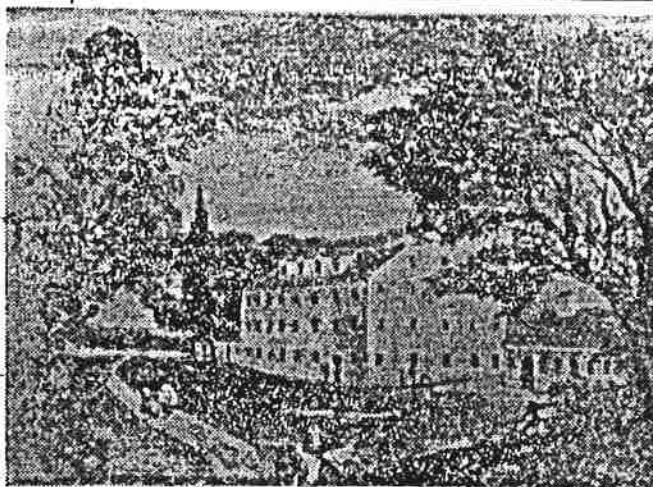
Francis Spinner, U.S. Treasurer, stuck postage stamps on sheets of Treasury Department letterhead stationery. He then trimmed the sheets to a convenient size and suggested that they be used as designs for U.S. Postage Currency.



The owners of the William Newton & Co. grocery store of Newport, R.I., stuck postage stamps on cards like this and used them as emergency substitutes for coins. Dated July 4, 1862, these cards may have been the ancestors of U.S. Fractional Currency.

As the Fractional Notes made their way into the marketplace, they were eagerly accepted by merchants and public alike. A certain amount of order was restored and Chase felt he could relax slightly. Then the monthly invoices

began to arrive from New York and the Secretary was amazed at how much it cost to print the sheets of notes. He felt that the government was being gouged and he intended to do something about it.



The Old Ivy Mill

The Story Of Ivy Mill

Charles McDonough

Little has ever been written about the family, and its paper-mill, which undoubtedly manufactured the paper on which the postage stamps of the United States, the 5c and 10c 1847's were printed. This might be of slight importance to postal history students, yet the story does have historical and entertaining features. Revenue stamps of the Treasury Department came on this same special kind of paper.

Rawdon, Wright, Hatch and Edson, which firm printed the 1847's, was a supplier of paper to the trade, among its several activities. This came from the Ivy Mill, located on the west bank of Chester Creek in the Township of Concord, Delaware County, Pennsylvania. It is near Philadelphia.

No paper mill has been so closely associated with the history of the United States. Its story, together with that of the Willcox family, furnishes one of the most picturesque and romantic chapters in the annals of the industry.

This spot, long neglected and almost forgotten, should be preserved as the shrine of the fine writing paper industry in the United States.

The exact date is not known, but it was probably about 1725 that Thomas Willcox, a paper-maker and man of some means, left the place of his birth near Exeter, in Devonshire, England, and came to America. He purchased, through William Penn, a tract of over one hundred acres of land and settled in that eastern part of Chester which was later set apart as Delaware County.

Little is known of Thomas Willcox except that he was a close friend of Benjamin Franklin, who was a frequent visitor in his home and a large user of the paper he manufactured.

A grandson, James M. Willcox, in a letter written to Thomas Ewbank, Commissioner of Patents, which was published in the United States Patent Report of 1850, said in part "About the year 1725, my grandfather, who was brought up in the paper business in England, came over and settled where I now reside. I have documents to prove that in 1732 he had erected a paper mill and was manufacturing paper. The kind of paper that he made was what is called fullers press-board, such as is now used by clothiers to press cloth"

"My grandfather manufactured the paper for Doctor Franklin, who was publishing a newspaper in Philadelphia and who was a frequent visitor at the mill"

"About the time my grandfather made the Continental (this should have read Colonial) money, he commenced making writing paper."

Thomas Willcox retired from active business in 1772 and died in November 1779.

Like others of that date in Pennsylvania, Thomas Willcox was a slaveholder. An appraisal of his personal estate at the time of his death gave a listed value of his slaves as follows: A mulatto man

named Sylvester, to serve three years, value 20 Pounds; a negro man named Caesar, to serve three years, value 100 Pounds; a negro woman named Peg, value 55 Pounds; a negro girl named Luce (thirteen years old), value 60 Pounds; a negro boy named Tim, value 35 Pounds; a negro boy named Luke, value 35 Pounds; a young girl named Suck, value 20 Pounds.

According to family records, several of these, including Caesar, were purchased direct from a slave ship anchored in Delaware Bay.

Thomas Willcox was a kind master, and being a devout Catholic was solicitous as to their spiritual welfare. Accordingly, he had them baptized, as is shown by the records of Saint Joseph's and Saint Mary's parishes in Philadelphia, Thomas and Elizabeth Willcox being named as sponsors.

Caesar was a faithful and intelligent workman and served in the mill as a paper-maker from May 1798 to January 1804. He remained in the service of the family, and after he was superannuated, they supplied him with every comfort to the time of his death in November 1834.

Now, on the hillside above the site of the old Ivy Mill, in a plot enclosed by an iron fence, and with his grave marked by a simple stone, Caesar shares the last resting place of his master in the private cemetery of the Willcox family.

Prince, another slave, was also registered as one of the workmen in Ivy Mill.

In 1726, Thomas Willcox with Thomas Brown built a dam across the west branch of Chester Creek, leasing the land on which it was built for a term of 999 years. Here, according to old records, "August 4, 1729, Thomas Willcox having erected a paper mill, took Thomas Brown in as a partner, under an agreement that he should teach Brown the art of paper-making, and that the profits from the business should be divided, giving Brown two-fifths, Willcox three-fifths."

Brown paid Willcox 150 Pounds for his interest in the business, but was evidently not satisfied with it, for on May 6, 1832, he leased his interest back to Willcox for a term of seven years at an annual rental of 13 Pounds. Near the termination of this lease, Thomas Willcox purchased Brown's interest becoming owner of the business.

IVY MILL

A second was built on Wissahickon Creek by William De Wees in 1710, an outgrowth of the Rittenhouse mill.

William Bradford sold his interest in the Rittenhouse plant, and moving his printing shop to New York, purchased a paper mill at Elizabeth Port, N. J., in 1728. It is not clear if this one had been used for the manufacture of paper before this date.

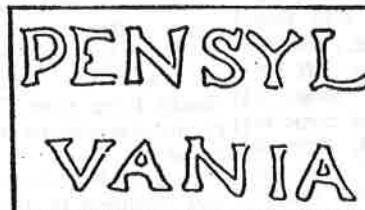
Information available indicates that there is a possibility that Ivy Mill was built before 1728, possibly 1726, and if so, it was the third paper mill to have been built in the United States. Whether or not this information is correct at least it was the third in the state of Pennsylvania.

Thomas Willcox supervised the making of paper until 1772, after which his son Mark took charge. Thomas, a nephew of Mark, who operated a mill of his own on Ridley Creek near the Borough of Media, sold it in February 1784; and later served as superintendent of Ivy Mill from 1790 to 1810.

He was succeeded by John Bowers from 1810 to 1822; John Gilmore, 1822 to 1828; John Mooney, 1828 to 1834; Thomas Mooney, 1834 to closing.

Many early paper - makers of note learned their trade in Ivy Mill; in fact, in 1828, there were within the borders of Delaware County eleven paper mills, all directly or indirectly the outgrowth of Ivy Mill, and making a total of 31,296 reams of paper that year. Ivy Mill at this time employed eighteen hands and produced 500 reams of paper.

John Readen, an English paper-maker of great ingenuity, who had indentured himself to the master of a sailing vessel for passage to America, was redeemed by Thomas Willcox and was credited with many improvements in the processes at Ivy Mill. He died in 1806 at the age of sixty.



Early Colonial watermark

Thomas Amles, who was at one time a foreman under Thomas Willcox, built and operated a mill at Lower Merion, Montgomery County, near Philadelphia, which he called the Dove Mill. Here in

(Continued on page 40)

At the time Thomas Willcox leased his partner's interest in 1732, an inventory of the mill's equipment was listed as follows: "an indenture Schedule of the Vessels, Tools and emplements by annexed Indenture Demised. That is to say — A mortice and * * * mmers., a Vatt and Pott, two Stuff Tubs, a Rag knife and Block, one pair of press paper moulds and a pair of Shop paper moulds, twenty-six fulling press felts, seventy seven shop paper felts, two press paper Planks and a halting plank, two Shop paper planks, a Press and Rag wheel, a Screw and Box, a glazing Engine, two pairing Knives, two little pails with iron hoops, one smal ads, two pairing frames, one pairing Bench, three cocks, two trougis, one which, a halting bench, two tressels, a Iron Barr, six post and Eighteen Rails for hanging paper, one hundred poles for hanging paper, one pad, one pair of Stilliards, a Box for Paper, Hanging stool, one hundred and sixty Tap Pots, twenty Cogs and three Washers."

It is told that Thomas Willcox brought Ivy plants with him from Ivy Bridge, Devon, the growth of which luxuriantly covered the walls of his mill, and from this it derived its name. This story leads us to believe that he worked in the paper mills at Ivy Bridge prior to his coming to America. The site of Old Ivy Bridge Mills is now occupied by the modern paper mills of John Allen Portals and Sons.

Ivy Mill was operated continuously for over one hundred years. In 1829, it was rebuilt and refitted with more modern and efficient equipment by Mark Willcox, son of Thomas Willcox, who had also built another mill on the main branch of Chester Creek. This was known as Glen Mill.

The rebuilt Ivy Mill was started again in December 1829, and continued making banknote by hand until 1861, its last run of this grade of paper being for the Bank of Montreal. The mill, however, continued producing other grades of hand - made paper until 1866, when it was closed for good.

It was used as a barn until 1888, when it was torn down. Today, there is only a remnant of its foundation in a marshy spot, but with the ivy still tenaciously clinging to the remaining stone.

The first mill in the United States was built in 1690 on Wissahickon Creek in German town, Pa., by William Rittenhouse. It was promoted by William Bradford, America's first public printer and from whom Benjamin Franklin learned his trade.

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